

STAND. COM. REP. NO.

3183

Honolulu, Hawaii

MAR 21 2024

RE: H.B. No. 2453
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Health and Human Services, to which was referred H.B. No. 2453, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO WATER INFRASTRUCTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the Director of Health to transfer federal capitalization grant funds between the Water Pollution Control Revolving Fund and the Drinking Water Treatment Revolving Loan Fund, in accordance with title 40 Code of Federal Regulations section 35.3530(c).

Your Committee received testimony in support of this measure from the Department of Health and Ulupono Initiative.

Your Committee finds that the Department of Health administers two low interest loan programs for the improvement of public drinking water systems and wastewater treatment and distribution systems. Both loan programs are funded principally by capitalization grants provided by the United States Environmental Protection Agency (EPA). Your Committee also finds that the EPA oversees the State's implementation of the Drinking Water Treatment Revolving Loan Fund and the Water Pollution Control Revolving Fund programs and can withhold or delay future capitalization grants whenever a program is struggling to expeditiously disburse their funds. This measure will allow the



Department of Health to direct loan moneys more efficiently towards the drinking water or wastewater infrastructure needs across the State, resulting in the greatest benefit to public health or environmental protection and help ensure the continued and consistent award of these two annual capitalization grants from the EPA.

Your Committee notes the testimony of the Department of Health that, based on review and consultation with the Department of Attorney General and federal agencies, certain amendments to this measure are necessary for consistency with title 40 Code of Federal Regulations section 35.3530(c)(1).

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the Governor or a state official with prior authorization from the Governor, rather than the Director of Health, may transfer an amount up to or equal to thirty-three percent, calculated on the basis of a fiscal year's Drinking Water Treatment Revolving Loan Fund capitalization grant amount from the Drinking Water Treatment Revolving Loan Fund;
- (2) Clarifying that when the State initially decides to transfer funds from the Drinking Water Treatment Revolving Loan Fund, rather than each year:
 - (A) The Attorney General, or an individual designated by the Attorney General, shall sign or concur in a certification for the Drinking Water Treatment Revolving Loan Fund and Water Pollution Control Revolving Fund that state law permits the State to transfer funds; and
 - (B) The operating agreements or other parts of the capitalization grant agreements for the Drinking Water Treatment Revolving Loan Fund and the Water Pollution Control Revolving Fund shall be amended to detail the method the State shall use to transfer funds;
- (3) Clarifying that the Governor or a state official with prior authorization from the Governor, rather than the



Director of Health, may transfer an amount up to or equal to thirty-three percent, calculated on the basis of a fiscal year's Drinking Water Treatment Revolving Loan Fund capitalization grant amount from the Water Pollution Control Revolving Fund;

- (4) Clarifying that when the State initially decides to transfer funds from the Water Pollution Control Revolving Fund, rather than each year:
 - (A) The Attorney General, or an individual designated by the Attorney General, shall sign or concur in a certification for the Drinking Water Treatment Revolving Loan Fund and Water Pollution Control Revolving Fund that state law permits the State to transfer funds; and
 - (B) The operating agreements or other parts of the capitalization grant agreements for the Drinking Water Treatment Revolving Loan Fund and the Water Pollution Control Revolving Fund shall be amended to detail the method the State shall use to transfer funds;
- (5) Providing that the thirty-three percent transfer allowance is associated with the Drinking Water Treatment Revolving Loan Fund, rather than the Water Pollution Control Revolving Fund;
- (6) Amending section 1 to reflect its amended purpose; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that this measure contains an unspecified appropriation amount. Should your Committees on Ways and Means and Judiciary choose to deliberate on this measure, your Committee respectfully requests that they consider inserting an appropriation amount of \$1,500,000 for fiscal year 2024-2025, pursuant to testimony your Committee received from the Department of Health.



As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2453, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2453, H.D. 1, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Health and Human
Services,



JOY A. SAN BUENAVENTURA, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Health and Human Services
HHS

Bill / Resolution No.:* HB 2453 HD1	Committee Referral: HHS, NAM / JDC	Date: 03/15/24
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
SAN BUENAVENTURA, Joy A. (C)	✓			
AQUINO, Henry J.C. (VC)	✓			
KEOHOKALOLE, Jarrett	✓			
SHIMABUKURO, Maile S.L.	✓			
AWA, Brenton				✓
TOTAL	4			1

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: 

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*Only one measure per Record of Votes